

**GATEWAY ECONOMIC DEVELOPMENT
CORPORATION OF GREATER CLEVELAND**

**Minutes of a Meeting of the
Board of Trustees**

**Held on September 11, 2019
12:00 o'clock p.m.**

**Offices of
Climaco, Wilcox, Peca & Garofoli Co., L.P.A.
55 Public Square, Suite 1950
Cleveland, Ohio**

There being a quorum present, Mr. Silliman called the meeting to order at approximately 12:10 p.m. Board members Ken Silliman, Matt Carroll and Davida Russell were present. Also present were Todd Greathouse, Brian Kelly, and Daniella Nunnally of Gateway, as well as Dennis Wilcox and Scott Simpkins as Gateway's General Counsel. Also present was Gateway's Engineering Consultant David Faller. Present from Cuyahoga County was Jim Boyle and the County's Financial Advisor - Robert Franz of Stifel Nicolaus. Present from the Indians were Jim Folk and Neil Weiss. Present from the Cavs were Stephanie Clemens and Antony Bonavita. Present from the media was Courtney Astolfi of cleveland.com. Present from the public was Rebecca Maurer.

Mr. Silliman, as Chairman, opened the meeting and asked for approval of the Minutes of the May 29, 2019 meeting. Upon motion made by Mr. Carroll, and seconded by Mr. Silliman, the Minutes were unanimously approved 3-0.

Next, Mr. Silliman asked if there was any public comment. Ms. Maurer asked that the Board provide an update on any current capital maintenance requests for the Ballpark and whether there are any new capital maintenance requests. Mr. Silliman noted that the meeting agenda would be addressing Ms. Maurer's stated concerns and hearing no further public comments, Mr. Silliman then stated he would waive any Board Chairman comments in the interest of time and in consideration of the full agenda for the Board meeting.

Mr. Greathouse reported on the Fieldhouse Major Capital Repair requests. With regard to the HVAC project for the Arena, Mr. Greathouse noted that the \$28 million budgeted project is eighty percent complete with the replacement of 53 air handling units and fan coil replacements. The Building Automation System should be complete by the end of the month. With regard to the \$3.375 million ADA restroom renovations, the in-wall plumbing is complete and the flooring replacement is almost complete. The 56 restrooms receiving the ADA updates are projected to be available by September 27. Mr. Greathouse then addressed the \$3.873 million ice floor and chiller plant project. He noted that the replacement of the ice plant chiller itself has been deferred until 2020 but that the remediation of the ice floor and ice dam is currently proceeding. On the Roof O project, they will start replacement of the last roof in 2019 to be completed by October of 2020.

Mr. Silliman asked Mr. Greathouse to remind everyone of the total cost of the roof work on the Fieldhouse and Mr. Greathouse responded that, upon completion, the total project will have been approximately \$7 million.

Mr. Greathouse also noted that the fire alarm system update is seventy percent complete with 27 items remaining to be completed. A fire inspection walk through with the Fire Inspector is scheduled for September 13, 2019. Lastly, the \$983,000 lighting controls project is on schedule with zone testing to be complete September 20, 2019.

Ms. Nunnally then provided an update on the Rocket Mortgage Fieldhouse Transformation Project and the inclusion reports contained in the Board materials. Ms. Nunnally first addressed the exterior work noting that the jersey barriers on the sidewalk have been removed to permit the pouring of the new concrete sidewalks. Also, precast planters and seating will be installed with the replacement of approximately twelve trees in the sidewalk next week. Also, the light poles are being repainted and new trash cans will be placed around the Fieldhouse exterior to complete the exterior finishes. Ms. Nunnally then suggested that Mr. Bonavita provide a quick update on the status of the interior renovations. Mr. Bonavita stated that September 23, 2019 is the date that they will officially be bringing the team members back to the Fieldhouse and in the interim there will be a substantial amount of dust cleanup and confirmation that all systems are operational. Mr. Bonavita thanked the entire Gateway team for keeping such a large project moving in a timely manner towards completion.

In the interests of time, Ms. Nunnally then referred the Board members to the diversity and inclusion summary reports in the Board materials and briefly stated that all the numbers are at or over the diversity and inclusion goals set by the Board. Ms. Nunnally noted that she will be preparing a final report upon completion of the project.

Mr. Greathouse then provided an update on the \$4.227 million escalator major capital project at the Ballpark. He indicated that the down payment under the contract with Schindler has been made and the shop drawings are done. The shipment date is set for September with completion of the project in March 2020 before the start of the next baseball season. Mr. Weiss then made a first reading presentation for a major capital replacement of the Ballpark Building Automation System. Mr. Weiss advised the Board that the BAS is the nerve center of the Ballpark providing automatic control for the HVAC and lighting systems. He circulated materials to the Board regarding the current BAS which was installed in 1994 when the Ballpark was originally built and noted that the Facility Conditions Assessment recommended replacement of the BAS in 2018 and that, due to the age of the current system, no new software upgrades are even available for the current system which fails and requires a system reboot approximately four times a week. Mr. Weiss intends to begin working with the Gateway staff and consultants and present the BAS replacement for major capital consideration at the November Board meeting. Mr. Silliman then explained the first reading/second reading protocol to those in attendance who were unfamiliar with the Gateway protocol for consideration of major capital funding requests. Mr. Silliman then asked Mr. Weiss if he has an idea of the likely cost for the BAS replacement. Mr. Weiss stated that it would only be an educated guess at this time but probably north of \$2 million. Mr. Silliman then asked Mr. Weiss the current status of the Indians' unreimbursed major capital expenditures at the Ballpark and Mr. Weiss indicated that there is currently about \$5 million in major capital expenditures that

the Board has approved and the Indians have advanced/funded, not including the escalators replacement currently being conducted. Mr. Silliman then sought a Board vote on whether to approve Gateway staff proceeding with the Indians on investigating the BAS system replacement on the first reading. Upon motion by Mr. Silliman, Mr. Carroll seconded and the Board unanimously approved proceeding.

Next, the financial reports were given by Mr. Kelly. He first reviewed the operating account for the month ended August 30, 2019 and reported a cash beginning balance of \$352,635, total receipts of \$258,859, and total disbursements of \$211,670 for a month-end balance of \$379,824. He then reviewed the Ballpark Capital account for August which had a beginning balance of \$77,399, receipts of \$200,000, and capital disbursements of \$170,035 for an ending balance of \$107,364.

Mr. Kelly then reviewed the projections from September 1st through November 30, 2019. First, the September 1, 2019 account balance is \$379,824, anticipated revenues are \$724,744, for estimated money before disbursements of \$1,106,568. Operating disbursements are anticipated to be \$916,850, for an estimated balance by November 30 of \$189,718. On the same summary sheet, Mr. Kelley then addressed the anticipated operations advances, composed on \$381,057 for the Indians and \$345,687 for the Cavaliers.

He then addressed the Ballpark Alterations account noting that 2019 total receipts and disbursements is \$6,482,164 and \$6,479,073 respectively and since 2014 the total is over \$47 million. Mr. Kelly then provided a Progressive Field major capital account spreadsheet. The cumulative Major Capital amount submitted equals \$37,415,629 with excess funds of \$85,418 to be reallocated to the escalators project.

Mr. Kelly then provided a Rocket Mortgage Fieldhouse major capital spreadsheet. Mr. Kelly reported the total amount approved thus far taking into consideration the various category reductions equals \$26,384,721, with Major Capital paid of \$24,920,188. Mr. Franz then gave a status update on the County's refunding of the 2015 Bonds and issuance of the 2019 Bonds as identified in the 2019 Cooperative Agreement between the County and Gateway. Mr. Frantz stated that on August 27, 2019 the County priced the 2019 Bond issue and it would close September 12, 2019. He stated that the interest rate is 2.35 percent which ended up being a great rate for the County.

Upon motion made by Mr. Silliman, seconded by Mr. Carroll, and unanimously approved, the Board adjourned the meeting at approximately 12:45 p.m.

APPROVED:

Secretary-Treasurer